

**AGENDA**



**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:		Agenda Number	20.
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Meeting Date:	November 1, 2012
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Department:	Purchasing
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**Subject**

Authorize award and execution of a 12-month service agreement with LONGHORN INTERNATIONAL TRUCKS LTD., for the lease of a heavy duty hauling truck for Austin Energy in an estimated amount not to exceed \$30,220, with two 12-month extension options in an estimated amount not to exceed \$30,220 per extension option, for an total estimated contract amount not to exceed \$90,660.

**Amount and Source of Funding**

Funding in the amount of \$27,702 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy. Funding for the remaining one month of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note**

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Lowest bid received.
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Prior Council Action:	
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For More Information:	Terry Nicholson, Senior Buyer, 512-322-6586
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Boards and Commission Action:	Recommended by the Electric Utility Commission.
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Related Items:	
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**Additional Backup Information**

This contract will provide Austin Energy (AE) with a replacement for an existing heavy duty haul truck. The current unit is over 20 years old and has become increasingly difficult and expensive to repair. AE uses this truck to haul large heavy loads such as flatbed trailers loaded with fabricated steel structures and large transformers, as well as tank trailers filled with oil. This type of vehicle does not accumulate the same amount of mileage as other vehicles in the fleet which makes it more difficult to replace using the standard City vehicle replacement process based on mileage.

Leasing the vehicle will allow AE to continually use a newer model with the latest in emissions and environmental improvements rather than having a vehicle with low mileage but that is older and not up to the current environmental standards. This vehicle must be available 24 hours a day, seven days a week for emergencies, therefore a short-term rental agreement is not appropriate. The purchase of an equivalent vehicle would cost in excess of \$120,000. This leased unit will operate on B-20 biodiesel.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

**BID TABULATION**

IFB TVN0083

Heavy Hauling Truck Lease

<b><u>Vendor</u></b>	<b><u>Bid Total</u></b>
Longhorn International Trucks Ltd. Austin, TX	\$30,220
Santex Truck Center San Antonio, TX	\$30,312

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

**PRICE ANALYSIS:**

- a. Adequate competition
- b. 25 notices were sent. There are no known MBE/WBE's for this commodity code. Two bids were received.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

**APPROVAL JUSTIFICATION**

- a. Lowest bid.
- b. The Purchasing Office concurs with the Austin Energy's recommended award.
- c. Advertised on the Internet.